



DEPARTMENT OF THE NAVY  
NAVAL INSPECTOR GENERAL  
1254 9TH STREET SE  
WASHINGTON NAVY YARD DC 20374-5006

IN REPLY REFER TO:  
5041/201203251  
Ser N611/0658  
17 Jun 15

From: Naval Inspector General  
To: Inspector General, Department of Defense, Assistant  
Director, Defense Hotline

Subj: DOD HOTLINE COMPLAINT 126543 (201203251); COMPLETION REPORT

Ref: (a) DOD Instruction 7050.01  
(b) DOD Action Referral 126543

Encl: (1) NAVSEA ltr Ser 00N3/136 of 4 Jun 15

1. Per reference (a), the Office of the Naval Inspector General (NAVINSGEN) reviewed reference (b), which forwarded subject hotline complaint. The anonymous complainant alleged that unidentified management officials wasted government funds by approving travel expenses for 36 Shipyard employees to attend the Project Management Fundamentals course. The complainant also alleged that the 36 employees could have attended the course at a later date locally.

2. The Naval Sea Systems Command (NAVSEA) Inspector General (IG) conducted an investigation into the alleged waste of funds and determined no violation occurred. The results of the investigation are forwarded as enclosure (1).

3. NAVINSGEN concurs with these findings and considers this case closed.

b6 b7c

/ By direction

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NAVSEA IG

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**DEPARTMENT OF THE NAVY**

NAVAL SEA SYSTEMS COMMAND  
1333 ISAAC HULL AVE SE  
WASHINGTON NAVY YARD DC 20376-0001

IN REPLY REFER TO:

5041

Ser 00N3/136

4 Jun 15

From: Commander, Naval Sea Systems Command (NAVSEA Deputy Inspector General (SEA 00N))

To: Naval Inspector General

Subj: DOD HOTLINE COMPLAINT 201203251

Encl: (1) Hotline Investigative Report

1. This letter is to inform you of the findings from a hotline investigation where one allegation was investigated and unsubstantiated.

2. Enclosure (1) is submitted for your review and approval. The NAVSEAINSGEN point of contact is b6 b7c [redacted] for Hotlines and Investigations. b6 b7c [redacted] b6 [redacted] can be reached at b6 b7c [redacted].

b6 b7c [redacted]

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Office of the Naval Sea Systems Command Inspector General

DOD Case No. 126543  
Case Number: 201203251

Report of Investigation

1 June 2015

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1. Investigators and Location of Working Papers

a. Investigator and Identifying Information

b6 b7c [REDACTED], Command Evaluation and Review Office, Naval Surface Warfare Center Carderock Division (NSWCCD), b6 b7c [REDACTED], b6 b7c [REDACTED]@navy.mil.

b6 [REDACTED], b6 b7c [REDACTED], Office of the Inspector General, NAVSEA Command, b6 b7c [REDACTED], b6 b7c [REDACTED]@navy.mil.

b. Location of Working Papers

(1) Commander, Naval Sea Systems Command, Office of the Inspector General, 00N, 1333 Isaac Hull Avenue, SE, Washington Navy Yard, D.C. 20376-1080.

(2) Naval Inspector General Hotline Tracking System (NIGHTS).

Preliminary Statement

2. Overview of the Project Management Fundamentals

a. The Project Management Fundamentals (PMF) course is sponsored by Naval Sea Systems Command (NAVSEA) 04. The course was deployed in 2009/2010 and subsequently incorporated in the NAVSEA 04 annual budget. There are eight opportunities a year to attend the PMF course. Pearl Harbor Naval Shipyard, Puget Sound Naval Shipyard, Norfolk Naval Shipyard and Portsmouth Naval Shipyard are respectively provided two local training

opportunities a year. The course is designed to allow 90 participants per training evolution. The hosting shipyard is allotted 54 participants. The remaining three shipyards are allotted 12 participants each. The 36 individuals attending from the other shipyards are there to share problem resolutions to historical shipyard project issues in order to maintain timelines for Chief of Naval Operations (CNO) availabilities.

b. Each year NAVSEA 04 leadership meets to determine the need to host the PMF course for the next physical year and budget accordingly. A review of the curriculum is completed each year and adjusted by lessons learned.

c. The PMF course is corporately sponsored and designed to provide current and emerging project leaders with a solid foundation in project management concepts, processes and techniques. PMF is one aspect of the participants' professional development and personal growth. As a naval ship maintenance professional, the expectation is that the course will enhance the participants' abilities to not only complete projects on time, within budget, and with requisite quality, but also to support the shipyards' obligations and broader NAVSEA goals. The two-week event included classroom and practical application evolutions where attendees receive instruction and insight from experienced shipyard, NAVSEA, Fleet senior leaders and process owners that help them apply project management on a variety of naval shipyard projects. The course focus is on project management theory and how it is used within the shipyard structure, processes, functions and information systems. Integration of the core learning and leadership objectives and the development of skills will help participants make a difference in achieving consistent and successful CNO availabilities.

### 3. Background and Summary

Hotline Control Numbers, Dates of Receipt, and Tasking Dates.

a. Department of Defense Inspector General (DoDIG) received an anonymous complaint on 21 September 2012 under DoDIG Hotline Case No 126543. Naval Inspector General (NAVINSGEN) assigned Hotline Control Number 201203251 on 26 September 2012. Naval Sea Systems Command Inspector General (NAVSEAINSGEN) received



the anonymous complaint on 26 September 2012. NAVSEAINSGEN approved a full investigation on 29 March 2013.

b. Summary of Complaint. On 21 September 2012, an anonymous complainant contacted the DoDIG via e-mail and alleged that there was a training class called PMF. The course was a foundational educational offering for Naval Shipyard Employees held from 14 through 25 May 2012 at Portsmouth Naval Shipyard (PNSY), Portsmouth, NH. The classes were scheduled at PNSY, Portsmouth, NH, 4 through 15 June 2012, at Pearl Harbor Naval Shipyard (PHNSY), 16 through 27 July 2012 and at Puget Sound Naval Shipyard (PSNSY), 30 July through 10 August 2012. Each class had approximately 90 students. The complainant stated, "The class held at PNSY, 14 through 25 May 2012, is 'waste,' when these employees could have waited and attended the classes to be held at their own activity. How much more travel per diem costs will be wasted by Puget and Pearl employees who may attend the class in Portsmouth 4 through 15 June 2012? The Management officials at PHNSY and PSNSY 'approved' the travel and training for their employees to attend the class at PNSY and should be held accountable for their 'waste' of government funds."

#### 4. Summary of Issue:

That participants from the non-hosting shipyard wastefully expended travel funds to attend the PMF course by not waiting to attend the course locally, in accordance with the DoD, Office of Inspector General (DoDIG) definition of waste

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#### Applicable Standard

#### 5. The DoD, DoDIG defines "waste" as follows:

"Waste involves the taxpayer not receiving reasonable value for money in connection with any government funded activities due to an inappropriate act or omission by players with control over or access to government resources (e.g., executive, judicial or legislative Branch employees, grantees or other recipients). Importantly, waste goes beyond fraud and

abuse and most waste does not involve a violation of law. Rather, waste relates primarily to mismanagement, inappropriate actions and inadequate oversight."

### Findings of Fact

6. The Investigating Officer (IO) obtained a copy of the participants welcome letter for the PMF course 4 through 15 June 2012. The letter outlines that the PMF course is corporately sponsored and designed to provide current and emerging project leaders with a solid foundation in project management concepts, processes and techniques. PMF is one aspect of the participants' professional development and personal growth. As a naval ship maintenance professional, the expectation is that the course will enhance the participants' abilities to not only complete projects on time, within budget, and with requisite quality, but also to support the shipyards' obligations and broader NAVSEA goals. The two-week event included classroom and practical application evolutions where attendees received instruction and insight from experienced shipyard, NAVSEA, Fleet senior leaders and process owners that helped them apply project management on a variety of naval shipyard projects. The course focused on project management theory and how it is used within the shipyard structure, processes, functions and information systems. Integration of the core learning and leadership objectives and the development of skills will help participants make a difference in achieving consistent and successful Chief of Naval Operations (CNO) availabilities.

7. The IO obtained and reviewed a copy of the CACI Contract which supports the course (Contract #: N00178-04-D-4026, Delivery Order EH07). The Program Management Fundamentals course is listed in Section B: Supplies or Services and Prices. Under Section C: Descriptions and Specifications the background reads: The NAVSEA04/04X strategic plans focus on business strategies and objectives to improve Industrial Operations Management processes, work force excellence, current and future readiness, and customer focus. This includes Naval Ship Maintenance Community waterfront project team performance, work force competencies, and responsiveness to Fleet maintenance and modernization requirements. These strategies and objectives serve as the framework for plans and strategies within and



across each of the naval shipyards and the naval ship maintenance community. These plans establish the short and long term goals of revitalizing the workforce, increasing customer focus, reducing total costs, exercising safety and environmental leadership, improving business processes, and strengthening quality, technical excellence and ensure the preservation of the Navy's assured source of repair of its naval combatants well into the future.

### Subject Matter Expert Opinion

b6 b7c , NAVSEA, b6 b7c

8. The IO received SME information from b6 b7c b6 b7c , b6 b7c .

a. In accordance with DoD, Deputy Chief Management Officer, Memorandum for Implementation of Updated Conference Oversight Requirements dtd 6 November 2013: The PMF course falls within the exemption for conference approval as it could be considered "formal classroom training."

### Witness Testimony

b6 , b6 b7c , SEA 04X

9. On 9 July 2014 and 1 April 2015 b6 was interviewed as a witness and testified in substance as follows:

a. b6 b7c stated that the 36 individuals attending from the other shipyards are there to share problem resolutions to historical shipyard project issues. When the course was developed in 2009/2010, the requirement for each shipyards' presence was established. This generates a broad range of student exchange which enhances problem resolution skills and heightens the participant's professional abilities to maintain timelines for CNO availabilities.

b. b6 b7c explained that the PMF course is designed to allow individuals assuming new positions and duties to have the tools to execute Project Management. The course places the participants in a fictitious project environment during a two week course. The course allows individuals to have

conversations and develop networks to assist in sharing lessons learned to support maintaining the availability lifecycle timeline. The participants range in skill levels and experience to learn why their actions are important and how the pieces fit together.

### Analysis

10. The DoDIG definition of waste "involves the taxpayer not receiving reasonable value for money in connection with any government funded activities due to an inappropriate act or omission by players with control over or access to government resources (e.g., executive, judicial or legislative Branch employees, grantees or other recipients). Importantly, waste goes beyond fraud and abuse and most waste does not involve a violation of law. Rather, waste relates primarily to mismanagement, inappropriate actions, and inadequate oversight." Based upon the evidence and testimony, the IO revealed that the elements within the DoDIG definition demonstrate that waste has not occurred. Rather, the benefit of the course has been budgeted by NAVSEA 04 on an annual basis since 2009/2010. NAVSEA 04 has appropriate oversight of how the course executes. NAVSEA 04 established the requirement for participants from shipyards outside of the local area to attend the course to share their experiences in resolving historical shipyard maintenance challenges, which would heighten the participants professional abilities to maintain timelines for Chief of Naval Operations (CNO) availabilities.

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### Conclusion

11. Based on the evidence gathered, participants in the PMF course that are from the non-hosting shipyard are not wastefully expended travel funds.

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### Recommendations

12. None.



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Witnesses Interviewed

13. b6 [REDACTED], b6 b7c [REDACTED] b6, b6 b7c [REDACTED].

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SMEs Interviewed

14. b6 [REDACTED], NAVSEA, b6 b7c [REDACTED].

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Documents Reviewed

- 15. Emails from the complainant.
- 16. Travel vouchers for participants of the PMF course 14 through 25 May 2012 and 4 through 15 June 2012.
- 17. Local vouchers for participants of the PMF course 14 through 25 May 2012 and 4 through 15 June 2012.
- 18. PMF welcome letter from SEA 04 to participants for the PMF course 4-15 June 2012.
- 19. Joint Travel Regulation, Volume 2, Chapter 4, Section 4554 Deductible Meals, Part B, dtd 1 January 2012.
- 20. SEA 04X PMF course budget for FY-14 and FY-15.
- 21. Department of the Navy Memorandum for Distribution dtd 12 May 2006, Use of Appropriated Funds to Purchase Food for Events and Clarification of Rules for Conference Fees.
- 22. N00178-04-D-4026, Delivery Order: EH07.